

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

DD/M&S Registry
File 04M1-1

BULLETIN NO. 74-9

May 7, 1974

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: 1973 Retroactive Pay Increase Costs

1. Purpose. This Bulletin provides instructions concerning the financing of the amounts required for retroactive pay increase costs in fiscal year 1973. Under provisions of the pending Second Supplemental Appropriations Act, 1974 (H.R. 14013 as passed by the Senate), it is contemplated that funding authority will be provided in the form of indefinite appropriations for pay increases recently made retroactive to October 1972. The pending Appropriations Act provides authority to restore and use unobligated balances of 1973 funds and to use funds available in 1974 for costs of the retroactive pay increase. The pending Act also provides that when these sources of funding have been exhausted, the head of each executive agency may certify the additional amount required providing the certification is approved by the Office of Management and Budget (OMB).

This Bulletin outlines the procedures to be used under the pending legislation on the assumption that Title III of H.R. 14013, as passed by the Senate, will be enacted. (The language of this Title is included in Attachment A.) If the finally enacted version of the bill changes these requirements in any way, this Bulletin will be amended accordingly.

2. Coverage. These instructions apply to the fiscal year 1973 costs of:

a. Civilian personnel pay raises effective in October 1972 under Executive Order 11777, and pay raises to be administratively adjusted (as authorized by 5 U.S.C. 5307) to conform with the change in the effective date of the General Schedule pay adjustment. (Administratively-adjusted pay raises should be provided under the conditions set forth in Civil Service Commission (CSC) Bulletin No. 531-66.)

b. Military personnel pay raises effective in October 1972 under Executive Order 11778.

3. Policy. The following financing policies will apply:

a. Basis for Estimates. The amount of the 1973 pay costs specified above will be computed on the basis of personnel in pay status in the agency during the period beginning October 1, 1972, and ending January 6, 1973.

b. Absorption. The retroactive pay increase costs must be absorbed insofar as possible within the respective appropriations, through the use of 1973 balances available for restoration and funds available in 1974. The head of the agency will certify that additional appropriations are required to meet the retroactive pay increase costs, only in cases where he has determined that the possibilities for absorption have been exhausted.

(Note: For information on personnel policy matters related to the retroactive pay increase, see CSC Bulletin No. 531-66.)

4. Preparation of Required Materials. Each agency is required to submit as soon as possible, but no later than August 1, 1974, an analysis of 1973 retroactive pay increase costs in accordance with the instructions in Attachment B and in the format illustrated by the Exhibit.

In addition to the required analysis, the agency submission will include:

a. A letter from the agency head certifying the additional appropriations required after all possibilities for absorption have been exhausted.

b. A list of accounts (titles and symbols) and the amounts of additional appropriations required.

c. A narrative explanation of the method used in computing the retroactive pay costs, the number of employees covered, and any other pertinent facts.

It is important that the above material reach OMB no later than August 1 in order to meet the warrant deadline of August 15. The pay analysis will fulfill the requirements for the September 15 report which is required by Title III of the pending Second Supplemental Appropriations Act, 1974.

With respect to the legislative branch, the Judiciary, and the municipal government of the District of Columbia, approval of additional appropriations by the Director of OMB

is not required. However, in order that OMB may comply with the requirement for a Government-wide report on appropriations made pursuant to Title III of the pending Second Supplemental Appropriations Act, 1974, the officers having administrative control over the appropriations or funds for these governmental organizations are requested to complete an "Analysis of Retroactive Pay Increase Costs" in the format of the Exhibit. This analysis should be sent to OMB on or before September 15, 1974.

5. Approval of Additional Appropriations. Agency requests for approval by the Director of OMB for additional appropriations required will be presented in a letter (in an original and three copies) addressed to the Director and signed by the head of the agency. The letter will indicate that it is presented pursuant to the Second Supplemental Appropriations Act, 1974, and will include a certification, substantially as follows:

"I hereby certify that the following additional amounts are required to meet the retroactive pay increase costs pursuant to Executive Order 11777. I have determined that the possibilities of meeting these costs through the use of 1973 balances available for restoration and funds available in 1974 have been exhausted."

The certification will be followed by a list of the accounts (titles and symbols) requiring additional amounts and the sums required. Necessary increases in limitations that do not require Treasury appropriation action will be shown in parentheses.

Space for approval by the Director, OMB, will be provided on the lower left side of the last page of the letter, in the following style:

Approved:

Director, Office of Management and Budget

Upon approval, the original of the agency letter, marked as necessary to show the additional appropriations, will be forwarded by OMB to the Treasury Department. Concurrently, a copy of the letter showing action by the Director, OMB, will be returned to the agency. The Treasury Department will issue the necessary appropriation warrants for the fiscal year ending June 30, 1974, based on the approved certification.

6. Timing of Payments. Once agencies have completed their analyses of 1973 retroactive pay costs and have determined that no additional appropriations are required, they should make payments to the affected personnel as promptly as possible after the enactment of the Second Supplemental Appropriations Act, 1974. In those cases where additional appropriations are required, agencies should not make payments until OMB has approved their request for additional appropriations (as prescribed in paragraph 5) and the Treasury Department has issued appropriation warrants.

7. Apportionments and Reports on Budget Status for 1974. Section 43.3 of OMB Circular No. A-34 provides for the automatic adjustment of amounts apportioned by time periods when supplementals are enacted in the last period. This provision is hereby extended to accounts which are apportioned on bases other than time periods for additional appropriations for the retroactive pay increase costs covered by this Bulletin. Where apportionments are broken down by project, activity, or object class, the head of the agency will allot the additional sums so apportioned.

In those cases where funds are in reserve which may be used to meet increased pay costs, a request for reapportionment to release the reserve should be submitted to OMB.

In some cases the appropriations required to pay the increased pay costs will not be certified or approved in time for the preliminary Standard Form 133 reports which are to be submitted as of June 30, 1974. In these cases, the additional amounts estimated to be required will be reported on line 1B of Standard Form 133 and identified in a footnote on the preliminary Standard Form 133 reports. The "final" (amended June 30) reports on Standard Form 133 will take account of all supplemental appropriations as approved by the Director of OMB to meet the retroactive pay increase costs for 1973.

ROY L. ASH
DIRECTOR

Attachments

EXCERPT FROM THE
SECOND SUPPLEMENTAL APPROPRIATIONS ACT, 1974

(H.R. 14013, as passed by the Senate, May 7, 1974)

TITLE
FISCAL YEAR 1973 RETROACTIVE PAY COSTS

Sec. 301. For costs in the fiscal year 1973 arising out of pay increases granted by or pursuant to the Federal Pay Comparability Act of 1970 and the Act of December 16, 1967 (81 Stat. 649), for any branch of the Federal Government or the municipal government of the District of Columbia, to be available immediately, such amounts as may be necessary, to be determined as hereinafter provided in this title, but no appropriation, fund, limitation, or authorization may be increased pursuant to the provisions of this title in an amount in excess of the cost to such appropriation, fund, limitation, or authorization related to increased compensation pursuant to such statutes.

Sec. 302. Whenever any officer referred to in section 303 of this title shall determine that he has exhausted the possibilities of meeting the cost of pay increases, first, through the use of the unobligated balances of the fiscal year 1973 appropriations, funds, limitations, or authorizations properly chargeable with the costs in fiscal year 1973, which are hereby restored and made available for this purpose, and, secondly, through the use of the corresponding appropriations, funds, limitations, or authorizations for the fiscal year 1974, he shall certify the additional amount required to meet such costs for each appropriation, fund, limitation, or authorization under his administrative control, and the amounts so certified shall be added to the pertinent appropriation, fund, limitation, or authorization for the fiscal year 1974: Provided, That any certification made under the authority of this section by an officer in or under the executive branch of the Federal Government shall be valid only when approved by the Director of the Office of Management and Budget.

Sec. 303. For the purposes of the certifications authorized by section 302 of this title, the following officers shall be deemed to have administrative control of appropriations, funds, limitations, or authorizations available within their respective organization units--

- (a) The legislative branch:
The Clerk of the House;
The Secretary of the Senate;
The Librarian of Congress;
The Architect of the Capitol;
The Public Printer;
The Comptroller General of the United States;
The Chief Judge of the United States Tax Court;
The chairman of any commission in or under the legislative branch.
- (b) For the Judiciary:
The Administrative Officer of the United States Courts;
The Marshal of the Supreme Court.
- (c) For the executive branch:
The head of each department, agency, or corporation in or under the executive branch.
- (d) For the municipal government of the District of Columbia:
The Commissioner of the District of Columbia.

Sec. 304. Obligations or expenditures incurred for pay increases and related costs pursuant to this title, shall not be regarded or reported as violations of section 3679 of the Revised Statutes, as amended (31 U.S.C. 665).

Sec. 305. (a) Amounts made available by this title shall be derived from the same source as the appropriation, fund, limitation, or authorization to which such amounts are added.

(b) Appropriations made pursuant to this title shall be recorded on the books of the Government as of June 30, 1974: Provided, That no appropriation made by this title shall be warranted after August 15, 1974.

(c) A complete report of the appropriations made by or pursuant to this title shall be made not later than September 15, 1974, by the officers described in section 303 to the Director of the Office of Management and Budget, who shall compile and transmit to the Congress a consolidated report not later than October 15, 1974.

ANALYSIS OF RETROACTIVE PAY INCREASE COSTS

1. Reports Required and Timing. An analysis of the 1973 retroactive pay increase costs for civilian and military personnel under Executive Orders 11777 and 11778, respectively, will be prepared in the format of the attached Exhibit. An original and three copies of the required analysis and related material will be submitted as soon as possible, but no later than August 1, 1974.

With respect to the legislative branch, the Judiciary, and the municipal government of the District of Columbia, approval by the Director, OMB, of additional appropriations is not needed. However, the Senate version of the pending Second Supplemental Appropriations Act, 1974 (H.R. 14013), requires a complete report to the Congress on the additional appropriations made to meet the 1973 retroactive pay increase. Therefore, the officer in administrative control of the appropriations or funds for each of these governmental organizations is requested to submit an analysis of its retroactive pay increase costs and additional appropriations to OMB in the format of the attached Exhibit, on or before September 15, 1974.

2. Basis for Determining Costs. For purposes of this analysis, allocation accounts (transfer appropriation accounts) will be reported with the parent account rather than with the receiving agency. Each agency receiving an allocation will furnish to the agency responsible for the parent account the data necessary to prepare the analysis (including justifications) by July 15, 1974, unless other arrangements have been made between the agencies concerned.

Insofar as practical, revolving and management funds (including consolidated working funds) and appropriation accounts which received reimbursements for work performed during the effective period of the retroactive pay increase should absorb the increased pay costs. In those cases where full absorption is not possible, the agency which performed the work, in lieu of seeking reimbursements, should indicate the need for an additional appropriation in its pay analysis. In all instances, the associated pay increase costs should be reported as part of the performing agency's direct and related pay costs. The retroactive pay increase costs will not be reported in the pay analysis of the agency which received the services.

3. Preparation of the Analysis. The analysis will be prepared, double spaced, on 8" x 10-1/2" paper, as described below. In cases where allocation accounts are involved or where there is more than one type of pay increase involved, the amounts applicable to each will be separately identified in columns 2 through 7. An agency total will show the increased costs attributable to all pay raises. Below that total, memorandum entries (enclosed in parentheses) will show the total amounts attributable to each type of pay raise involved.

The columns in the analysis will be completed as follows:

Column 1. List, under each bureau or organizational unit to which separate appropriations or funds are available, the title of each appropriation or fund account (other than allocations from other agencies) from which any increased pay costs are paid directly. This will include revolving and management funds (including consolidated working funds) and trust funds. Account titles should be listed in the order in which they appear in the budget. Allocations to other agencies will be indented under the parent appropriation account title.

Column 2. Report the direct cost of the 1973 retroactive pay increases pursuant to Executive Orders 11777 and 11778 for employees paid from the account being reported, whether or not the costs result from the performance of reimbursable work. Agencies should report any additional payments to employees normally associated with object class 11, such as overtime, hazardous duty, and other premium pay. If the increased pay cost is disproportionately high in relation to the base for any account, the components and method of calculation should be fully set forth in the narrative explanation.

Column 3. For each listed account, report the added costs which are related to the pay raise, whether or not such costs are reimbursable. For this purpose, the related costs include those normally associated with object class 12, such as Government retirement contributions, employer FICA taxes, Government contributions on employee life insurance premiums, and other payments which are based on employees' salaries.

Column 4. Report the portion of the pay costs shown in columns 2 and 3 which can be absorbed through the use of 1973 balances available for restoration.

Column 5. Report the portion of the pay costs shown in columns 2 and 3 which can be absorbed through the use of funds available in 1974.

Column 6. Total of columns 4 and 5.

Column 7. This column should equal the sum of columns 2 and 3 minus column 6, and will represent the additional appropriation (or increase in limitation) considered necessary as a result of the retroactive pay increase reported. (Note: Any request for an increase in limitation should be identified by the symbol "A" and shown in parentheses as a nonadd entry.)

EXHIBIT
BULLETIN NO. 74-9ANALYSIS OF 1973 RETROACTIVE PAY INCREASE COSTS
(Executive Order 11777 unless otherwise identified)DEPARTMENT OF GOVERNMENT

Organizational unit and account title (1)	Increase in direct pay and other related costs of this agency		From 1973 restored balances (4)	Absorption		Additional appropria- tion required (7)
	Direct pay (2)	Related cost (3)		From funds available in 1974 (5)	Total (6)	
Office of the Secretary:						
Salaries and expenses.....	75,930	6,120	23,740	18,850	42,590	39,460
Bureau of Inspection:						
Salaries and expenses.....	465,060	28,255	83,375	101,200	184,575	308,740
Allocation to:						
Dept. of the Interior.	8,504	682	9,186	---	9,186	---
Inspection Services.....	80,664	7,656	---	52,150	52,150	36,170
<hr/>						
Government Corporation:						
ABC revolving fund						
(Adm. action).....	434,387	35,128	---	378,665	378,665	(90,850)A
Total, all pay increases..	2,108,854	267,320	632,156	883,750	1,515,906	860,268
Executive Order 11777...	(1,674,467)	(232,192)	(632,156)	(505,085)	(1,137,241)	(860,268)
Administration Action...	(434,387)	(35,128)	---	(378,665)	(378,665)	---

NOTE: Amounts are in dollars.

Approved For Release 2003/02/27 : CIA-RDP84-00780R005800100005-5

TRANSMITTAL SLIP		DATE 5/10/78
TO: <i>DD MVS</i>		
ROOM NO.	BUILDING	
REMARKS: <i>FJI</i> <i>OF, OGC, OP and</i> <i>Audit Staff have</i> <i>received copies.</i>		
FROM: <i>O/Compt</i>		
ROOM NO.	BUILDING	EXTENSION

Approved For Release 2003/02/27 : CIA-RDP84-00780R005800100005-5